Supreme Court, U.S.
FILED

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OFFICE OF THE CLERK

No. _____

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1994

THANH VONG HOAI,
Petitioner,

SUN REFINING AND MARKETING COMPANY, INC.,
Respondent.

APPENDIX #2 OF 2 TO
Petition for a Writ of Certiorari to the United States Court of Appeals for the District of Columbia Circuit

---

Laurence A. Elgin
8929 Sleaford Place
Annandale, Virginia
22003
(202) 628-1114

1:43 PM

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My commission expires:

My Commission Expires June 22, 1990

[NOTE: IN READING THIS DOCUMENT, ENTITLED "DEALER TRIAL FRANCHISE", ONE SHOULD REMEMBER THAT UNDER THE STATUTE, PLAINTIFF HOAI IS NOT A TRIAL FRANCHISEE, DESPITE THE USE OF THE WORD "TRIAL" BECAUSE HE PREVIOUSLY OPERATED STATIONS AND HAD WORKED FOR SUN OIL CO.]

SUN 420-I-T.F.

Date: March 27, 1986
Duns No: 0004-4180-14
Division: 750

DEALER TRIAL FRANCHISE
PART I
COVER PROVISIONS

THIS TRIAL FRANCHISE is made and executed by the herein named Company and Dealer for purposes of stating the terms and conditions by which Company will make available for sale, Company's branded motor fuels to Dealer, and Dealer will operate Dealer's business, including the resale of Company's branded motor fuels to the public, at the Premises described below. This Trial Franchise constitutes a "trial franchise" as that term is used in and

defined by Title 1 of the Federal Petroleum Marketing Practices Act, 15 U.S.C. section 2801, et seq., hereinafter referred to as "the Act".

COMPANY:	SUN REFINING AND MARKETING COMPANY
COMPANY'S ADDRESS:	1801 MARKET STREET Philadelphia, PA 19103
DEALER:	THANH VONG HOAI
PREMISES' ADDRESS:	2305 Pennsylvania Ave., S.E. Washington, D.C. 20020

TYPE OF MOTOR FUEL FRANCHISE: RETAIL
GASOLINE SALES: Full and Self Service
BUILDING USE: Conventional 3-Bay Service, Canopy and Kiosk

TERM: THE TERM OF THIS TRIAL FRANCHISE IS ONE YEAR, BEGINNING ON APRIL 10, 1986, AND ENDING MARCH 31, 1987. COMPANY MAY ELECT NOT TO RENEW THIS TRIAL FRANCHISE AS OF THE DATE LAST ABOVE STATED BY PROVIDING DEALER WITH WRITTEN NOTICE IN ACCORDANCE WITH THE PROVISIONS OF SECTION 104 OF THE ACT. THE PROVISIONS OF SECTION 102 OF THE ACT,

LIMITING THE RIGHT OF COMPANY TO FAIL TO RENEW A FRANCHISE RELATIONSHIP ARE NOT APPLICABLE TO THIS TRIAL FRANCHISE. IN ADDITION, COMPANY MAY TERMINATE THIS RELATIONSHIP PRIOR TO THE DATE LAST ABOVE STATED IN THE EVENT OF A VIOLATION OR BREACH OF THIS TRIAL FRANCHISE RELATIONSHIP, OR OF THE TERMS AND CONDITIONS CONTAINED IN THIS TRIAL FRANCHISE, OR FOR ANY REASON ALLOWED BY SAID ACT.

RENT: Dealer shall pay to Company rent for said Premises, in monthly installments in accordance with the following schedule: For the period April 10, 1986 through April 9, 1987, Four Thousand five Hundred Eighty Five Dollars ($4,585.00) per month. Each monthly installment is due and payable in advance, without demand or notice, on or before the fifth (5th) day of the month. Rent shall be prorated on a daily basis for

periods of less than one (1) month.

HOURS AND DAYS OF OPERATION: Dealer will operate Dealer's business and the Premises in the manner required by this Trial Franchise during the following hours per day and days per week: 24 hours a day/7 days a week

COMPANY'S EQUIPMENT: For use by Dealer in promoting and selling Company's branded motor fuels, Company loans to Dealer, for the term of this Trial Franchise, the following equipment which is or will be installed on said Premises by Company: 3 - Single Retros Leaded, 6 Retros Blended, 2 - Single Retros, Diesel, 2 - Sunoco Diamond Signs & Poles, 1 - Set Sunoco Letters

UNDERLYING LEASE: NOT APPLICABLE

PERSONAL SUPERVISION: This Trial Franchise is made on the condition and understanding that Thanh Vong Hoai will personally manage the daily operation of Dealer's business.

Prior written consent of Company is required in the event the above named individual desires to cease personal management of Dealer's business. Said consent of Company shall not be unreasonably withheld.

COLLATERAL DEPOSIT: Terms and conditions governing collateral deposits listed below are set forth in Part IV Collateral Deposit Provisions.

Federal identification of Social Security No.: 586-40-1891, State Code No.: 16

Cash Portion of Deposit Only: Five Thousand Dollars ($5,000.00)

Plus an additional amount to be accumulated from time to time at the rate of one-half (1/2 cent) cents per gallon on all deliveries of motor fuel until a total of Twenty Five Thousand Dollars ($25,000.00) has been accumulated.

CREDIT CARD IMPRINTER: Dealer acknowledges

receipt of two (2) Credit Card Imprinter and Mount Box unit(s) and agrees to pay Company in advance a rental at an annual rate of Forty Dollars ($40.00) per unit, effective the first day of the month following installation and extending to the next June 30th. Subsequent annual rental charges will date from July 1st for each succeeding year. Installation and maintenance costs of said units shall be paid by Company.

Dealer agrees not to remove said unit(s) from the Premises where installed, and to pay Company One Hundred Thirty Two Dollars ($132.00) per unit in the event said unit(s) are lost or destroyed. Dealer agrees to return said unit(s) to Company upon request and hereby gives Company the right to remove the same at any time without notice and, in either event Company shall refund any unearned prepaid rental.

Company reserves the right at all times to change the foregoing rental upon giving Dealer thirty (30) days' prior written notice.

PARTS OF DEALER TRIAL FRANCHISE:

Part I Cover Provisions
Part II General Provisions
Part III Lease Provisions
Part IV Collateral Deposit Provisions
Part V Credit Card Acceptance Provisions
Part VI Maintenance Provisions
Part VII Daily Recordkeeping and Inventory Control Provisions

The Provisions above constitute Parts of this Trial Franchise, and are incorporated therein and made a part thereof for all purposes.

NOTE TO DEALER: This is a binding legal document containing several Parts. You should carefully read each Part before signing in the space provided below.

EXECUTED THE 8TH DAY OF APRIL, 1986

WITNESSES: DEALER:

/s/ E.Peele /s/ Thanh Vong Hoai

COMPANY:

/s/ Betty J. Boyd BY: /s/ JH Vaughn

TITLE: DIVISION SALES MANAGER

* * * * *

9. UNCONTROLLABLE EVENTS/ALLOCATION

Company and Dealer shall be forgiven their respective obligations hereunder to the extent that performance is delayed or prevented by causes reasonably beyond the control of either party, except any accounts owed by either party to the other. Company may allocate products among Dealer and other customers in the event it determines that any curtailment, shortage, or unavailability of products for any reason whatsoever exists and shall not be obligated to make up shortages resulting therefrom, nor shall Company be liable to Dealer for loss of sales, profits or business by reason of such allocation.

* * * * *

15. NOTICES

Any notices required by, or otherwise given in connection with, this Dealer Franchise shall be in writing and signed by the party giving such notice. Any notice directed to Company shall be mailed or delivered to Company's address stated in Part 1 Cover Provisions, and notices directed to Dealer shall be mailed or delivered to Dealer at the Premises.

* * * * *

17. ENFORCEMENT: APPLICABLE LAW; RENEWAL, NONRENEWAL AND TERMINATION OF THIS DEALER FRANCHISE

a. Company has the right to enforce and require specific performance of all provisions of this Dealer Franchise including, but not limited to, Company's right to seek injunctive relief or any other rights or remedies available to Company.

b. This Dealer Franchise is subject to and governed by the Act, which is made part of this Dealer Franchise for purposes of expressing the grounds upon which it may be terminated and nonrenewed by Company. The Company's right to terminate or nonrenew under the Act shall be in addition to, and not in extinguishment of, all other rights and remedies provided in favor of Company by applicable law and this Dealer Franchise. Therefore, should Dealer fail to substantially comply with, or violate, any requirement imposed upon, or promise made by Dealer in this Dealer Franchise, Company may nonrenew or terminate this Dealer Franchise.

c. Prior to the end of the term of this Dealer Franchise, Company may determine to renew and continue its franchise relationship with Dealer on the basis of proposed changes and additions to the

provisions hereof (including, but not limited to, changes in the rates and amounts of rent to be paid by Dealer for the Premises); and shall advise Dealer of same. All such changes and additions proposed by Company shall be the result of determinations made by Company in good faith and in the normal course of business. Should Dealer and Company fail to agree upon such changes and additions, Company shall have the right, upon notice to Dealer, to nonrenew this Dealer Franchise and the franchise relationship with Dealer as of the end of the term stated in Part I Cover Provisions. Should Dealer and Company agree upon such changes and additions, then Company agrees to renew this Dealer Franchise and continue the franchise relationship with Dealer, subject to and in accordance with the agreed changes and additions and the execution by

both parties of a renewal Dealer Franchise.

d. In the event Company should violate any substantive provision of this Dealer Franchise and not promptly correct same, Dealer may terminate this Dealer Franchise with Company at any time upon 90 days' prior written notice to Company. Said written notice must specify the particular reason or reasons which give rise to such termination in order to be effective.

e. Upon the effective date of the termination or nonrenewal hereof,

(1) All unpaid accounts owed by Dealer to Company, shall be due and payable in full, and shall bear interest from such date until paid at the rates established by Company's credit terms with Dealer;

(2) Dealer shall cease the use of Company's brand identification and credit card system, and shall forthwith return the same to Company, together with all of

Company's loaned Equipment, in good order and condition, at Dealer's expense;

(3) Company shall repurchase from Dealer all Company branded motor fuels at Dealer's cost therefor; the amount thereof to be paid to Dealer or applied to Dealer's unpaid account with Company, as determined by Company.

* * * * *

19 . SALE AND ASSIGNMENT

a. Subject to the following provisions, Dealer may make a sale of Dealer's business:

(1) For purposes hereof, a "sale of Dealer's business" includes: (a) any reorganization of Dealer's business, such as incorporation or the formation of a partnership or other business entity subsequent to the date of this Dealer Franchise whereby another person, not previously a party hereto, acquires rights

with respect to Dealer's business or its operation; (b) any transfer or assignment of an interest in Dealer's business or any part thereof or an assignment or subletting in whole or in part of the Premises to any person, firm or corporation not a signatory party hereto. The term "Dealer's business" includes purchasing and reselling of Company's branded motor fuels and the use and possession of the Premises. A change in the marital status of Dealer, if an individual, and granting of a lien or security interest in Dealer's business for financing purposes, shall not constitute a sale of Dealer's business.

(2) At least sixty (60) days' prior to the effective date of a sale of Dealer's business, Dealer shall notify Company in writing of such sale. The notice to Company shall include the name and the current address of the purchaser(s),

together with the purchase price, if any, and all other essential terms and conditions of the sale. Copies of all documents (including the proposed sale contract) that will be used in connection with the sale shall also be provided to Company. Dealer represents to Company that all information supplied to Company with respect to a sale of Dealer's business is true and correct.

(3) Upon receipt of Dealer's notice given pursuant to preceding paragraph, Company shall thereafter have at least sixty (60) days' time to conduct an examination of the purchaser's credit standing, financial condition, business suitability to function as a franchisee of Company and to evaluate the proposed sale of Dealer's business. In this respect, Dealer and purchaser(s) shall provide Company with all information as Company requests for purposes of making its

examination. Dealer shall bear the cost of the examination of the purchaser's credit standing. Such examination, and any disapproval or conditioned approval made by Company shall be in accordance with, and based upon, reasonable and objective business practices and standards. Company shall not be held liable for any losses caused Dealer by such disapproval or conditioned approval.

(4) If, in Company's opinion, based upon objective and accepted business practices, such person does not have sufficient credit standing or business experience to function as a dealer in the manner required by this Dealer Franchise, then Company shall notify Dealer in writing of its opinion and may refuse to permit the contemplated sale of Dealer's business, or by such writing may condition its approval upon a revision of credit terms, upon execution by such party

of a Trial Franchise (ass that term is used in the Act) as a substitute of this Dealer Franchise and upon the attendance and successful completion by such party of Company's dealer training school.

(5) If, based upon Company's examination, such person acquiring an interest in Dealer's business does have sufficient credit standing and business experience to function as a dealer in the manner required by this Dealer Franchise, then Company shall approve the assignment without condition, except Company shall have the right to require such person to execute a Trial Franchise (as that term is used in the Act) as a substitute for this Dealer Franchise and to require such person to attend and successfully complete Company's dealer training school.

(6) Each actual or contemplated sale of Dealer's business, shall be made subject to

the foregoing provisions of this Dealer Franchise. An assignment of this Dealer Franchise, whether or not made in the manner permitted by these provisions shall not alter or discharge Dealer's obligations hereunder to Company, except as agreed to beforehand in writing by Company, or when the sale of the Dealer's business is made to Company.

(7) Should Dealer complete a sale of Dealer's business in whole or in part and fail to notify Company as above required, or make a sale or assignment which has been disapproved by Company or fail to provide Company with complete information as requested by Company, such action or failure, as case may be, shall be treated for all purposes as fraud.

b. Company may assign this Dealer Franchise to any distributor, jobber, refiner or other "franchisor". as that word is used in

the Act subject to the following:

(1) Assignee shall agree in writing with the Company to perform and comply with all of the Company's obligations hereunder.

(2) Company shall notify Dealer in writing of the name and the address of assignee and the effective date of assignment.]

(3) Such assignment when made in the manner above provided shall not be treated as either a termination or nonrenewal of this Dealer Franchise, or of any of the Dealer's rights as a "franchisee" under the Act, but this Dealer Franchise and Dealer's rights shall continue in full force and effect. Assignee shall succeed to all the rights and privileges provided in favor of Company under this Dealer Franchise and the Act.

* * * * *

7. SURRENDER OF PREMISES:

a. This Lease and Dealer's use and possession of the Premises (including all assignments and subletting by Dealer) shall end as of the effective date of the termination, nonrenewal or cancellation of this Dealer Franchise, whereupon Dealer shall immediately surrender, quit and return possession of the Premises to Company. Notice and demand to quit and for possession and re-entry by Company are waived.

b. Should Dealer fail to surrender, quit and return possession of the Premises to Company at the end of this Lease, Company shall have the right to enter upon the Premises and evict Dealer therefrom for purposes of repossessing the same without having liability to Dealer for trespass or damage by reason of such re-entry and eviction.

c. In addition to Company's right of re-

entry and eviction, Company may detain, distrain and take possession of all property belonging to Dealer and others found on the Premises for unpaid rent, and may sell or otherwise dispose of such property in accordance with applicable law, without liability to Dealer by reason of such action. Subject to the foregoing, Dealer shall remove all of Dealer's personal property from the Premises at end of this Lease, and any property left or found upon the Premises ten (10) days after Dealer has been requested to remove the same, may be removed, stored, or disposed of by Company without liability to Dealer for the value, loss or damage thereto occasioned by such removal storage or disposition. Costs incurred by Company for removal, storage and disposition of Dealer's property so left or found upon the Premises shall be borne by Dealer and paid

to Company.

d. Notwithstanding the foregoing, and without waiving any of its rights to evict Dealer and re-enter the Premises, which rights shall be continuing and remain in full force and effect from and after the end of this Lease, if Dealer remains in possession of the Premises for whatever reason other than by virtue of a separate agreement in writing signed by Company, then Company may elect to treat Dealer as a tenant at will of the Premises, subject to the further right to terminate such tenancy upon thirty (30) days' prior written notice to Dealer, and Dealer shall be obligated to pay to Company, and Company shall be entitled to collect from Dealer, rental for said tenancy equal to one hundred fifty (150%) per cent of the final monthly installment of rent stated in Part I Cover Provisions, or any amendment and

ratification thereto, of this Dealer Franchise for each thirty (30) days or part thereof of said tenancy at will. Acceptance by Company of rent for said tenancy at will, and Company's decision, failure or delay in evicting Dealer and re-entering the Premises at the end of this Lease shall not be treated or construed as a renewal of this Dealer Franchise (or this Lease which renewal cannot be made except by written agreement for that purpose signed by Company.

* * * * *

[EXCERPT FROM PREVIOUS HOAI DEALERSHIP WITH SUN OIL]

SUNMARK INDUSTRIES

[LOGOS]

A Division of Sun Oil Company of Pennsylvania

September 21, 1981

Mr. Thanh V. Hoai
7906 Cherrywod Lane
Greenbelt, Md. 20770

Re: Contract #0017-8475-01

Dear Mr. Hoai:

We are pleased to enclose the following

paper/papers which have been completely executed:

1) Letter of Consideration
2) Maintenance Letter
3) Dealer's Agreement
4) Inventory Control Amendment to Dealer's Agreement
5) Credit Card Acceptance Agreement
6) Imprinter Agreement
7) Night Delivery Letter

Please retain these documents for your files.

Very truely yours
SUNMARK INDUSTRIES, a Division of Sun Oil Company of Pennsylvania

/s/ JW Zalewski
J. W. Zalewski

Enclosures

JWZ:h

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

THANH VONG HOAI	:
	:
Plaintiff,	:
	:
v.	: Civil Action
	: No. 87-2456
SUN REFINING AND	: Judge Oberdorfer
MARKETING COMPANY.	: Magistrate Attridge
Defendant.	:

DEFENDANT'S NOTION FOR SUMMARY JUDGMENT
ON THE ISSUE OF EXEMPLARY DAMAGES

COMES NOW Defendant, Sun Refining and Marketing Company, by counsel, and moves the Court to enter Summary Judgment in its favor and against Plaintiff on the issue of exemplary damages for the reason that there is no genuine issue as to any material fact and Defendant is entitled to the entry of judgment on the issue of exemplary damages as a matter of law.

In support of this Motion, Defendant submits the attached Memorandum of Points and Authorities and Statement of Material Facts as to Which There if (sic) No Genuine

Issue.

Respectfully submitted,

GREENSTEIN DELORME & LUCHS, P.C.

/s/ J. Gordon Forester, Jr. #4424
Stephen H. Abraham #385849
1620 L Street, N.W.
Suite 900
Washington, D.C. 20036-5605
Telephone: (202) 452-1400

[July 11, 1991]

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

THANH VONG HOAI	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action
	:	87-2456
SUN REFINING AND	:	Judge Oberdorfer
MARKETING COMPANY.	:	Magistrate Judge
Defendant.	:	Attridge

DEFENDANT'S MOTION FOR SUMMARY JUDGMENT
ON THE LIMITATION OF DAMAGES
FROM SEPTMBER 8, 1986 TO APRIL 27, 1987

The defendant moves this Court to grant summary judgment on the issue of damages by limiting Hoai's claim to reasonable profits, if any, from the station at 2305 Pennsylvania Avenue, S.E. for the period from September 8, 1986 to April 27, 1987.

The attached Memorandum of Points and Authorities and the Statement of Material Facts As To Which There is No Genuine Issue are attached in support of this motion.

Respectfully submitted,

GREENSTEIN DELORME & LUCHS, P.C.
/s/ J. Gordon Forester, Jr. #4424
1620 L Street, N.W.
Suite 900
Washington, D.C. 20036-5605
Telephone: (202) 452-1400

[July 26, 1991]

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

THANH VONG HOAI	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action
	:	No. 87-2456
SUN REFINING AND	:	Judge Oberdorfer
MARKETING CO.	:	Magistrate Attridge
Defendant.	:	

MOTION IN LIMINE FOR EVIDENTIARY RULINGS

This is the defendant's second Motion In Limine. The first was to establish the period of time for which the franchisee may be entitled to lost profits, if any. In the response to this Motion, plaintiff has raised a number of issues which go far beyond the question of damages that is before this court. In fact, if plaintiff were able to proceed with the irrelevant issues he has raised, it would expand this trial far beyond the three days which have been scheduled.

This court has ruled that Mr. Hoai's

franchise was improperly terminated on September 8, 1986, and that the franchise was actually terminated with notice on April 28, 1987. Therefore, based upon this ruling, Mr. Hoai would be entitled to claim the profits of the station during that period, provided he can establish that any profits were earned. Thompson v. Kerr-McGee Refining Co., 660 F.2d 1380 (10th Cir. 1981). It is respectfully requested that the court [-1-]

* * * *

[Dec. 21, 1990]

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA
CIVIL DIVISION

THANH VONG HOAI Plaintiff, v. SUN REFINING AND MARKETING COMPANY, INC., Defendant.	)))))Civil Action) No. 87-2456) Judge Oberdorfer) Mag. PJA))

PLAINTIFF'S OPPOSITION TO SUMMARY JUDGMENT ON EXEMPLARY DAMAGES

It is not relevant that the law does not favor punitive damages because Congress has prescribed a standard in the Act defining when they are to be granted. The common law of the District has been preempted on this point. We ask the Court, therefore, to ignore defendant' recitation of the common law of punitive damages and concentrate instead on the mandate of Congress.

The only issue here, as the Court pointed out, is whether there was the

required willfullness. As the Court noted in colloquy, there is no question here that there was disregard of 15 U.S.C. 2802, but as to whether it rose to the level of willful disregard the Court said it was not yet convinced. Plaintiff agrees this question remains to be analyzed. The memorandum supporting the motion is not particularly helpful in this regard.

Plaintiff suggests that a proper analysis can be arrived at by ignoring the attempts of the defendant to import into the language of the Act an element of scienter which Congress chose not to include. There are many acts of Congress in which a requirement of willfulness is conjoined by an "and" with a requirement

[-1]

* * * *

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

THANH VONG HOAI	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action
	)	No. 87-2456
SUN REFINING AND	)	
MARKETING CO.	)	Judge Oberdorfer
Defendant.	)	

PLAINTIFF'S OPPOSITION TO
DEFENDANT'S SECOND MOTION IN LIMINE
(for Evidentiary Rulings)

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#1 Order of Oberdorfer, J. of October 17, 1991

#2 Motion In Limine filed by Sun, November 15, 1991

#3 Motion In Limine filed by Sun, December 21, 1991

#4 Motion For Protective Order and for Discovery Conference filed by Sun, filed January 10, 1991

#5 Transcript of Telephone Conference of October 15, 1990

#6 Request for Admissions filed January 8, 1991

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA
CIVIL DIVISION

THANH VONG HOAI Plaintiff, v. SUN REFINING AND MARKETING COMPANY, INC., Defendant.	)))))Civil Action) No. 87-2456) Judge Oberdorfer) Mag. PJA)

OPPOSITION OF THE PLAINTIFF TO DEFENDANT'S MOTION TO LIMIT THE DAMAGES WITHOUT AUTHORITY TO DO SO

I. INTRODUCTION

The motion of the defendant to artificially limit the amount of damages plaintiff may show at trial demonstrates no authority for this proposition in the Petroleum Marketing Practices Act itself, 15 U.S.C. 2801, et seq., (PMPA) or in the reported case law. It relies, in its supporting memorandum, upon misrepresentations of existing law, and upon inappropriate analogies. Further,

there is a disturbing pattern that has now become the normal practice by defendant in this case, (unfortunately,) of some seriously distorted and even false representations of the facts thus far demonstrated or those that are contended and of what has already been decided in the various litigations of Mr. Hoai.

II. STATUTE ITSELF: CLEAR LANGUAGE: NO LIMITATION

First, we turn to the clear language of the statute itself: The only section. at issue here, since plaintiff sought no injunctive relief, is subsection 15 U.S.C. 2805(d). The full text of that section is as follows: [-1-]

* * * *

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA
CIVIL DIVISION

THANH VONG HOAI Plaintiff,	)
v.	) Civil Action No. 87-2456
SUN REFINING AND MARKETING COMPANY, INC., Defendant.	) Judge Oberdorfer Mag. PJA

PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT ON EXEMPLARY DAMAGES IN THE AMOUNT OF $650,000.00

Plaintiff moves the Court to grant him summary judgment for exemplary damages pursuant to 15 U.S.C. 2805(d)(1)(B) $650,000.00 based on the recent verdict of the jury on compensatory damages and the admissions of the defendant that it made no effort to ascertain whether it was complying with the Act or not when it illegally terminated the plaintiff, an amount designed to deter a corporation with the income and assets of the defendant whereas any lesser amount would

not do so, given the conduct of the defendant Sunoco then and throughout this proceeding.

Respectfully submitted.

THANH VONG HOAI

By:
/s/ Laurence Elgin #159582
8929 Sleaford Place,
Annandale, Virginia 22003
(202) 628-1114

[FACSIMILE OF A LETTER FROM SUN OIL]
[Written six months after the franchise was destroyed by the Sun Oil Consent Agreement AND NOT Hoai, but extortionist Vo was in possession of the station, as Sun knew.]

SUN
[Logo]

Sun Refining and Marketing Company
4041 Market Street
Aston PA 19014
215 499 5700

March 2, 1987
Duns Number: 0004-4180-14

Thanh Vong Hoai
2305 Pennsylvania Ave. S.E.
Washington, DC 20020

Dear Mr. Hoai:

Please refer to your Dealer Trial Franchise, dated March 27, 1986, between you and Sun Refining and Marketing Company, hereinafter referred to as "Sun". As you know, Sun's representative has attempted to verify your compliance with its Daily Recordkeeping and Inventory Control Provisions, as required in the above Franchise. Sun sent you a letter dated December 3, 1986, asking that you

comply with this provision. Your continued failure to comply with the requirements of this program leaves Sun no alternative but to terminate its franchise relationship with you.

Therefore, please take notice that effective April 7, 1987, Sun intends to terminate your Dealer Trial Franchise dated March 27, 1986, for the above-stated reason, and as per the following sections of the Federal Petroleum Marketing Practices Act:

Section 102(b)(2)(A)	Your failure to comply with a provision of the franchise, which is both reasonable and of material significance to the franchise relationship.
Section 102(b)(2)(B)	Your failure to exert good faith efforts to carry out the provisions of the franchise.
Section 102(c)(11)	Your knowing failure to comply with Federal, State or local laws or regulations relevant to the operation of the marketing

premises.

Attached to this notice is a Summary of Title 1 of the Federal Petroleum Marketing Practices Act.

Very truly yours,
SUNOCO MARKETING

/s/ H.J. Vaughn
H. J. Vaughn
Sales Manager

Attachment
cc: D.M. Zebley
H. L. Zoretic
E. L. Peele
B. J. Boyd

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

[FACSIMILE OF A MEMORANDUM OF SUN OIL]

Subject Thanh Vong Hoai - 004-4180-14

(Thanh Van Vo)

SUN
[Logo]

Interoffice Correspondence

Date June 18, 1987
Location Twin Oaks Terminal
From J.F. Prendergast
To J. Wagner

In accordance with your request, we attach hereto Company's check number 8742 dated June 17, 1987 in the amount of $10,300.03 made to the order of Thanh Van Vo per your request.

The enclosed check covers all open credits remaining on the subject account, and per your instructions, due to legal requirements, have made the check payable as outlined above.

In your correspondence with Mr. Van Vo it

should be made clear that any charges coming back to the account i.e. chargebacks, credit card differences, etc. will be his responsibility and that we will expect immediate payment of same.

We are sending a copy of this correspondence to our credit file as the subject account is now closed and in a deleted status. Should any additional information be required or if any additional assistance is needed, please feel free to contact the writer.

/jed cc: E. Peele
D. Snyder
Credit File

[FACSIMILE OF A LETTER FROM SUN OIL]

SUN

[Logo]

Sun Refining and
Marketing Company
4041 Market Street
Aston PA 19014
215 499 5700

January 22, 1987

Mr. Thanh Vong Hoai
2305 Pennsylvania Avenue, S.E.
Washington, DC 20020

RE: Contract No. 0004-4180-14

Dear Mr. Hoai:

Your one-year Dealer Trial [sic] Franchise

with Sun Refining and Marketing Company ("Sun") will expire March 31, 1987. When Sun entered into this franchise relationship with you on April 10, 1986, its performance expectations were for you, at a minimum, to match and moderately exceed the gallonage of your immediate predecessor.

Unfortunately, the operation of the station has not met Sun's expectations or standards. There has been a significant drop in the historical volume of gasoline sold from this station. I believe this is due in large part to the distractions caused by the dispute you are having with Thanh Van Vo. Regardless of the reasons, the operation of the stations has fallen well below Sun's standards. As a consequence, Sun has elected to non-renew your franchise effective April 27, 1987.

Attached to this notice is a Summary of Title I of the Petroleum Marketing Practices Act.

Very truly yours,

/s/ H J Vaughn
Harold J. Vaughn
Sales Manager

/jed

cc: David Hemenway, Esquire
Thanh Van Vo
J. Wagner, Esquire
E. Peele

Certified Mail
Return Receipt Requested

[FACSIMILE OF A LETTER FROM SUN OIL]

[Written six months after Hoai was removed from the station and three months after franchise termination]

SUN

[Logo]

Sun Refining and
Marketing Company
4041 Market Street
Aston PA 19014
215 499 5700

December 3, 1986

Thanh Vong Hoai
2305 Pennsylvania Ave., S.E.
Washington, DC 20020

Duns Number: 0004-4180-14

Dear Mr. Hoai:

Sun Refining and Marketing Company's (Sun's) representative called on you at the above address on November 26, 1986, to verify your compliance with Sun's Daily Recordkeeping and Inventory Control Program. Your contractual obligation regarding this matter is specifically outlined in your Dealer contract under the Daily Recordkeeping and Inventory Control Provisions.

These Provisions specify that you shall, on a daily basis, maintain adequate inventory records, on all petroleum product stored underground, including a reconciliation of sales, receipts, and inventory on hand. Said Provisions further specify that you shall permit Sun to inspect your underground storage inventory records, when Sun desires to monitor your compliance.

As you know, compliance with the Provisions of this Program is of benefit to you, Sun, and the general public, the purpose being to prevent product loss and environmental contamination. To assure compliance with these Provisions, each Dealer's underground storage inventory records are being verified, periodically, by Sun's representative.

Please be advised that Sun, as your supplier, views your failure to comply with the terms and conditions of this Program as a violation of a substantive provision of our franchise relationship, and of the above-mentioned provision of your Dealer contract.

Also, if you are not keeping proper gasoline inventory records, you are in violation of the Federal Occupational

Safety and Health Administration (OSHA), Service Station Regulation 1910.106(g), which specifically requires a Dealer to maintain and reconcile accurate DAILY physical and book inventory records of Dealer's underground storage of petroleum products to provide early detection of any leaks from such underground tanks and/or piping installation. In addition, there may be local, municipal and/or state laws which require petroleum storage inventory recordkeeping compliance.

Sun's representative will again call on you, at your location, in the next thirty (30) days, at which time we expect you to be in full compliance, in all respects, with the Provisions of the Daily Recordkeeping and Inventory Control Program.

The potential problems associated with leaks caused by petroleum products stored underground is of grave concern, and your complete cooperation is anticipated.

Very truly yours

SUNOCO MARKETING

/s/ H.J. Vaughn
H.J. Vaughn
Sales Manager

cc: Ernie Peele
Dealer File
H. Vaughn

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

[FACSIMILE OF A LETTER FROM SUN OIL]
[Written six months after the franchise was destroyed by the Sun Oil Consent Agreement AND NOT Hoai, but extortionist Vo was in possession of the station, as Sun knew.]

SUN
[Logo]

Sun Refining and
Marketing Company
4041 Market Street
Aston PA 19014
215 499 5700

March 2, 1987
Duns Number: 0004-4180-14

Thanh Vong Hoai
2305 Pennsylvania Ave. S.E.
Washington, DC 20020

Dear Mr. Hoai:

Please refer to your Dealer Trial Franchise, dated March 27, 1986, between you and Sun Refining and Marketing Company, hereinafter referred to as "Sun". As you know, Sun's representative has attempted to verify your compliance with its Daily Recordkeeping and Inventory Control Provisions, as required in the above Franchise. Sun sent you a letter dated December 3, 1986, asking that you

comply with this provision. Your continued failure to comply with the requirements of this program leaves Sun no alternative but to terminate its franchise relationship with you.

Therefore, please take notice that effective April 7, 1987, Sun intends to terminate your Dealer Trial Franchise dated March 27, 1986, for the above-stated reason, and as per the following sections of the Federal Petroleum Marketing Practices Act:

Section 102(b)(2)(A)	Your failure to comply with a provision of the franchise, which is both reasonable and of material significance to the franchise relationship.
Section 102(b)(2)(B)	Your failure to exert good faith efforts to carry out the provisions of the franchise.
Section 102(c)(11)	Your knowing failure to comply with Federal, State or local laws or regulations relevant to the operation of the marketing

premises.

Attached to this notice is a Summary of Title 1 of the Federal Petroleum Marketing Practices Act.

Very truly yours,
SUNOCO MARKETING

/s/ H.J. Vaughn
H. J. Vaughn
Sales Manager

Attachment
cc: D.M. Zebley
H. L. Zoretic
E. L. Peele
B. J. Boyd

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

EXCERPTS FROM PREVIOUS HOAI DEALERSHIP

COLLATERAL DEPOSIT AGREEMENT

US Post Office Address	Contract No
Thanh Vong Hoai	0017-xx5-01
7906 Cherrywood Lane	District:
Greenbelt, Md. 20770	Wash/652

Federal Identification: 586-40-1891
State Code Number 39

THIS AGREEMENT, MADE THIS 26TH DAY OF AUGUST, 1981, BY AND BETWEEN SUN OIL COMPANY OF PENNSYLVANIA, A CORPORATION, HAVING ITS PRINCIPAL OFFICE AT 1608 WALNUT STREET, PHILADELPHIA, PENNSYLVANIA, HEREINAFTER CALLED COMPANY, AND THANH V. HOAI OF 7906 CHERRYWOOD LANE, COUNTY OF PRINCE GEORGE'S AND STATE OF MARYLAND 20770

* * * * *

Cash Portion of Deposit: $11,000

* * * * *

Witnesses at Signing
/s/J A Hagens /s/Thanh Vong Hoai
Sun Oil Company of Pennsylvania
By /s/ A. McCarthy
Credit Manager

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

THANH VONG HOAI	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action
	:	No. 87-2456
SUN REFINING AND	:	Judge Oberdorfer
MARKETING CO.	:	Magistrate Attridge
Defendant.	:	

MOTION IN LIMINE
FOR DETERMINATION OF DAMAGES

This Court has entered partial summary judgment for plaintiff on the issue of liability under the Petroleum Marketing Practices Act by the Memorandum and Order filed on October 1, 1990. The court has also permitted the defendant to file this Motion In Limine to set forth the period of time for which the plaintiff may be entitled to claim damages.

By this endeavor to determine the time period for the damage claim, the defendant does not waive any rights or

objections to this court's opinion on liability. The defendant intends to preserve this issue for argument in another forum after a final judgment has been issued as to liability and damages.

Since this court has ruled that Sun terminated Mr. Hoai's franchise by the Consent Order of September 8, 1986; and, it is uncontroverted that the franchise was actually terminated by Sun with notice pursuant to the PMPA on April 27, 1987, it is therefore submitted that the period for the damages claimed by Mr. Hoai is within those inclusive dates.

* * * *

NOTICE TO SURRENDER PREMISES

CITY OF WASHINGTON :

:

DISTRICT OF COLUMBIA : ss:

:

aUGUST 25, 1986 :

TO: THANH VAN VO

You are hereby personally given notice to quit the premises located at 2305 Pennsylvania Ave., S.E., Washington, D.C. 20020, which is the Sunoco Service Station at that address.

You are to surrender the possession thereof and surrender all keys, records, supplies and equipmen now therein upon the service of this notice under penalty of the law.

You are further notified that failure to suit the premises will result in your

being named as a violator of Section 22-3101 of the Code of the District of Columbia, which can result in up to one year imprisonment.

You have been named in no legal capacity whatsoever that would justify your refusal to quit the premises by the legal holder of the lease, Thanh Vong Hoai, and your continued illegal presence on the property after the serving of this notice and after you have repeatedly threatened the legal leaseholder will not prove to be in your best interests.

/s/ John D. Hemenway
John D. Hemenway D.C. #379603
Attorney for Thanh Vong Hoai
(202) 371-6710

CERTIFICATE

I have read the within contained notice and certify that I am the legal holder of the Dealer Franchise for the Sunoco Station at 2305 Pennsylvania

Avenue, S.E., Washington, D.C. 20020 and that I have authorized Attorney John D. Hemenway to take all necessary action to remove Thanh Van Vo from the premises who has [r]ejected me, the rightful owner, and refused to leave.

August 25, 1986 /s/ Illegible
THANH VONG HOAI

STATEMENT OF WITNESS

I, Ernie Peel, am the company representative of SUNOCO, and I have witnessed Thanh Bong Hoai's signing of the within contained certificate and I can declare that he is the holder of the SUNOCO lease at 2305 Penn. Ave., SE and is the only person authorized to be in possession of this station.

August 25, 1986 /s/ Ernie Peele
Ernie Peel

[EXCERPTS FROM DEPOSITION OF DAVID ROSEMAN]

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA
(CIVIL DIVISION)

THANH VONG HOAI,	)	
Plaintiff	)	
vs.	)	CA No.
SUN REFINING AND	)	87-2456
MARKETING CO.,	)	LFO/PJA
Defendant	)	
	)	

Washington, D.C.
Tuesday
June 25, 1991

Deposition of:

DAVID ROSEMAN

called for examination by counsel for the Plaintiffs, pursuant to notice, in the conference room, Jones, Day, Reavis and Pogue, 1450 G Street, N.W., 7th Floor, Washington, D.C.

* * * * *

Q [Elgin, counsel for Hoai] Who were you representing at that time when you had these conversations?

A [p.10] Mr. Thanh Van Vo.

* * * * *

Q * * * Did you have occasion to discuss with Mr Wagner [Sun's Attorney] the possibility of settling or compromising the conterversy between your client and the Sun Company?

* * * * *

A [p.12] During the course of my conversations with Mr. Wagner, we discussed the possibility of settling the dispute immediately before, immediately before the court involving the temporary restraining order and avoiding the necessity to go to a preliminary injunction hearing following the entry of the temporary restraining order.

Q Who were you told was representing Sun Oil?

A [p.13] Well, my first question to Mr. Wagner was, are you currently being

represented in connection with the lawsuit that was pending in the Superior Court between Mr. Vod and Mr. Hoai.

Q What did he say?

A * * * and it was at that point then that I began to discuss with Mr. Wagner what had taken place at the temporary restraining order hearing.

Q And by that, do you mean that you told Mr. Wagner what had taken place there?

A That's correct.

Q * * * [p.14] What did he [Wagner] say to you?

* * * * *

A Well, the substance was, what is the next step in the course of the proceeding? Where do you see this going from here? What is -- I think he may have asked me to what extent I saw a need for Sun Oil to be independently represented by counsel,

whether we were requesting any monetary damages from Sun Oil, that kind of thing, things that I guess we, as attorneys, would normally think that an in-house counsel would be immediately concerned about knowing that his company has just been sued.

* * * * *

Q [p15] You mentioned that there came a time in yhour conversation with Mr. Wagner when you discussed the possibility of avoiding a follow-on preliminary injunction hearing. Did I understand that correctly?

A That's correct.

* * * * *

Q * * * [p.16] Who initiated this topic, yourself or Mr. Wagner?

A Oh, I initiated it. * * * I do recall that he was receptive to the thought or to the concept of Sun Oil remaining as a

nejutral party in the dispute as opposed to taking an affirmative stand on either side of the dispute or becoming embroiled in unnecessary litigation.

Q When he discussed the possibility of Sun Oil becoming a neutral party, did hyou make any suggestions to him about how Sun Oil might accomplish that?

A Well, I initiated the suggestion that, in order to maintain the status quo, Sun simply agree to continue to supply petroleum products and related products to the lawful occupant of the service station.

Q And what did Mr. Wagner say when you suggested that>?

A Well, he reacted positively to that and, while I don't recall his specific words, the substance was that he thought that made a lot of sense based on Judge Wagner's ruling as to who the lawful

occupant of the service station was.

* * * * *

Q [p.20] Did you suggest to Mr. Wagner on that occasion any specific procedure by which this might be done, this elimination of the possibility of the follow-on preliminary injunction hearing?

* * * * *

A * * * the thought that I communicated to Mr. Wagner was that if Sun would simply agree to continue to provide the products to the lawful occupant of the service station, then inasmuch as my client was the [p.21] lawful occupant and had been reinstated in that capacity by Judge Wagner, that we did not see any need to go forward and seek any further equitable relief and I further noted the relevant federal rule of civil procedure, at least in that instance, would have been the counterpart Superior Court rule that

provided for a continuation of the temporary restraining order through a consent order procedure.

Q You're speaking of Rule 65?

A Yes. * * * [p.22] Following my conversation with Mr. Wagner, I drafted a form of consent order5 that I thought complied with the requirements of Rule 65 and faxed it off to Mr. Wagner for his review.

* * * * *

Q * * * [p.24] Now do I understand you to be saying that the draft was essentially negotiated between yourself and Mr. Wagner and then Mr. Forester's [Sun Oil attorney just entering case] signature line was added?

* * * * *

A * * * [p.27] I wouldn't characterize it as a negotiation. I'd characterize it as a reaction, a comment on a consent

order draft. I made changes as a result of that. I can not say for certain whether I did have a subsequent exchange with Mr. Wagner or not after that. It is possible. It's possible that we did it all in that one telephone conversation following the fax of the draft. **This was not discussed as being a significant matter**. [Emphasis added] This was discussed as being simply a way of maintaining the status quo while the laws[illegible] continued between Mr. Vo and Mr. Hoai.

Q You mentioned in one of your earlier answers that you had informed Mr. Wagner of the procedure by which a temporary restraining order might be extended through a consent order. Is that correct?

A Well, I mentioned the rule on injunctions, [the] [p.28] Superior Court rule on injunctions and noted that it was

very similar, if not identical to the corresponding federal rule of civil procedure. Now whether Mr. Wagner had independent knowledge of that, I don't know. I don't know that I was the first person to inform him of it, in other words.

* * * * *

Q [p.38] Were you aware that the Federal Petroleum Marketing Practices Act existed?

A [p.39] Yes.

Q How long had you known about it?

A I don't know how to answer that question. I don't have any particular awareness of a moment in time when I came to learn of it.

Q Let me rephrase the question.

A Let me finish, if I may. In my practice, I had heard of it and had some familiarity with it but nothing beyond

that.

Q Did your conversation with either Mr. Wagner or Mr. Forester in this period leading up to and through September the 8th include any discussion of the District of Columbia Retail Service Station Act?

A It did not.

Q Did you know that Act existed?

A At what time?

Q During this operative period.

A I probably did but I can not tell you when I came to know of the existence of that Act.

Q Did you have any discussion with either [p.40] Mr. Wagner or Mr. Forester in that period up to and through September the 8th, 1986 as to who was the franchisee of the gas station in question?

A I do not recall specifically discussing who the franchisee is. The subject of the lawsuit between Mr. Vo and

Mr. Hoai bore upon that so, to the extent that I explained the substance of our request for relief, I guess we could say that we touched upon that but, beyond that, I have no recollection.

* * * * *

Q [p.42] * * * Was there any discussion between you and either Mr. Wagner or Mr. Forester as to whether or not there should be a signature on this consent order on behalf of Mr. Hoai or the other two parties in the lawsuit?

A I don't recall any such discussion.

Q When you explained the procedure as you've described it for extending the TRO through a consent order to Mr. Wagner, did you mention to him or did he mention to you whether or not this could be done without notifying the other parties in the lawsuit?

A I don't recall discussing that at

all.

* * * * *

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

CIVIL DIVISION

THANH VAN VO, D/B/A SUNTECH SUNOCO, INC.,	)	
Plaintiff,	)	Civil Action
v.	)	No. 7075-86
THANH VONG HOAI, et al.,	)	[SIGNED ON 9-08-86]
Defendants.	)	

CONSENT ORDER FOR EXTENSION OF TEMPORARY RESTRAINING ORDER AS TO DEFENDANT SUN REFINING AND MARKETING COMPANY

THIS MATTER having come before the

Court upon the pleadings and other papers heretofore filed herein and upon the representations of counsel and it appearing to the Court that on August 29, 1986, a Temporary Restraining Order was issued in this cause on motion of Plaintiff, Thanh Van Vo, after the hearing of testimony, and arguments of counsel; and it further appearing that the Plaintiff and Sun Refining and Marketing Company have, as evidenced by the endorsements hereon by counsel, agreed that the terms and conditions of the Temporary Restraining Order should be continued with respect to Plaintiff and Defendant Sun Refining and Marketing Company, until March 31, 1987 or the prior resolution of the dispute bnetween Plaintiff and Defendant Thanh Vong Hoai over rights to operate the gasoline startion at 2305 Pennsylvania Avenue,

S.e., Washington, D.C. as a franchisee and lessee of Sun Refining and Marketing Company, so long as Plaintiff complies with the terms and conditions of that certain one-year Dealer Trial Franshise Agreement appearing as Exhivit 1 to the Verified Complaint as if he were an original signatory thereto. A non-renewal of said Agreemnent or a termination for failure to comply with the terms and conditions thereof will not [-2-] be deemed a violation of this Consent Order. It is by the Court this 8 day of September, 1986,

ORDERED, that the following paragraph (2) of the Temporary Restraining Order of August 29, 1986 is hereby extended as to the Plaintiff and the Defendant, Sun Refining and Marketing Company, so as to continue to maintain the status quo ante as between Plaintiff and Defendant Sun

Refining and Marketing Company:

(2) That the Defendant, Sun Refining and Marketing Company, shall continue to supply the plaintiff with the branded petroleum products and to permit Plaintiff to operate the Station and to permit him to occupy the Station under the same terms and conditions as existed between Plaintiff and Sun Refining and Marketing Company prior to August 25, 1986. Such products are to be delivered so long as plaintiff pays the sums due for same.62

AND IT IS FURTHER ORDERED, that this extension shall continue until further order of this Court or until March 31, 1987 or the prior resolution of the dispute pending in this cause between the Plaintiff and Defendant, Thanh Vong Hoai, over rights to operate the gasoline station at 2305 Pennsylvania Avenue, S.E., Washington, D.C. as a granchisee and lessee of Sun Refining and Marketing Company and so long as Plaintiff continues to comnply with the terms and conditions

of that certain one-year Dealer Trial Franchise Agreement appearing as Exhibit 1 to the Verified Complaint as if it were an original signatory thereto,k it being the sense of this Consent Order that a non-renewal of said Agreement or a termination for failure to comply with the terms and conditions hereof will not be deemed a violation of this Consent Order;

AND IT IS FURTHER ORDERED, that a copy of said Restraining Order, together with a transcript of the Court's reasons therefor stated on the record and incorporated into the Temporary Restraining Order by reference is attached to and made a part of this Consent Order;

[-3-]

AND IT IS FURTHER ORDERED, that the cash bond posted by Plaintiff in the amount of $3,000 shall remain in effect for the duration of the Restraining Order

or until further order of the Court.

This Consent Order shall not be construed to extend the said Restraining Order as to any other defendant.

/s/ Stephen F. Eilperin
Judge
[stamp] "signed in chambers"

Seen and Agreed:

/s/ David C. Roseman
David C. Roseman per MFO
D>C> Bar No. 226969
Jones, Day, Reavis & Pogue
1250 Eye Street, N.W., Suite 1100
Washington, D.C. 20005
(202) 682-4095

Attorney for Plaintiff

/s/ J Gordon Forester, Jr.
Gordon J. Forester, Jr.
D.C. Bar No. 4424
Pohoryles & Greenstein, P.C.
1920 N Street, N.W., Suite 800
Washington, D.C. 20036
(202) 785-2940

Attorney for Defendant
Sun Refining and Marketing Company

Mail copies to:

David C. Roseman, Esq.

Jones, Day, Reavis & Pogue
1250 Eye Street, N.W., Suite 1100
Washington, D.C. 20005

Gordon J. Forester, Jr.
Pohoryles & Greenstein, P.C.
1920 N Street, N.W., Suite 800
Washington, DC 20036

Laurence A. Elgin, Esq.
2762 Woodley Place
Washington, D.C. 20008

Retail Service Stations

*****

Section 10-225. Sale, assignment, or other transfer of a marketing agreement.

(a) No distributor shall unreasonably withhold his approval of any sale, assignment, or other transfer, including any transfer of the retail dealer's aright, privilege, or authority to occupy a retail service station pursuant to a marketing agreement, of a marketing agreement or any interest therein to another person by a retail dealer.

(b) No retail dealer shall sell, assign, or otherwise transfer a marketing agreement or any interest therein unless he furnishes prior written notice to the distributor of his intention to make such sale, assignment, or other transfer. Such notice shall be sent to the distributor by

registered or certified mail and shall include the prospective transferee's name and address, a statement of the prospective transferee's financial qualifications, a statement of the prospective transferee's business experience during the previous 5 years, and a statement of the prospective transferee's ability, character, and credit history.

(c) The distributor shall either approve or disapprove such sale, assignment, or other transfer in writing within 60 days after receipt of the notice specified in subsection (b) of this section. A distributor's failure to notify the retail dealer of his approval or disapproval shall be construed as an approval of the proposed sale, assignment, or other transfer.

(d) In order for a sale, assignment,

or other transfer of a marketing agreement to be valid, the prospective transferee shall agree in writing to comply with all valid requirements, conditions, and provisions of the existing marketing agreement which may be applicable.

(e) (1) A prospective transferee shall have the right to terminate or repudiate any sale, assignment, or other transfer of a marketing agreement or any interest therein for any reason, without the imposition of any damages or penalties for such action and without any recourse by the transferor or distributor for such action, within 7 days, not including Saturdays, Sundays, or holidays, after the day on which the sale, assignment, or other transfer is consummated. In order to exercise his right under this subsection, the transferee shall:

(A) Mail written notice, by

registered or certified mail, to the transferor and the distributor of his intention to exercise his right under this subsection within the period specified in this subsection;

(B) Discontinue use of any trademark presently being used by such transferee pursuant to the marketing agreement;

(C) Deliver or tender, so far as is practical, to the transferor or distributor, as appropriate, all money, equipment, and merchantable products which have been loaned, sold or delivered to the transferee by either the transferor or the distributor and which the transferee has not already sold, within 10 days after mailing the notice specified in this subsection; and

(D) Deliver or tender to the transferor full possession of any

retail service station transferred to the transferee within 10 days after mailing the notice specified in this subsection.

(2) The transferee shall receive full credit; or the cash equivalent, for all money, equipment, and merchantable products delivered or tendered to the transferor or distributor, as appropriate, pursuant to subparagraph (C) of paragraph (1) of this subsection. Nothing contained within this subsection shall be construed as granting a similar right to terminate or repudiate to either the transferor or the distributor.

(f) (1) Upon the death or retirement of a retail dealer, the distributor shall grant a 1-year trial marketing agreement in the name of a successor who has been designated by the retail dealer and approved by the distributor. The designated successors shall be limited to

a retail dealer's spouse, adult children, adult stepchildren, and the approval of the designated successor by the distributor shall not be unreasonably withheld.

(2) In order for the requirement in paragraph (1) of this subsection to be effective, the retail dealer shall have provided written notice to the distributor designating the successor dealer. The distributor shall approve or disapprove the designated successor, in writing, within 60 days after receipt of the written designation notice. A distributor's failure to notify a retail dealer of the approval or disapproval of any designated successor shall be construed as an approval of the designated successor.

(3) A 1-year trial marketing agreement shall contain the same terms and

conditions as were contained in the marketing agreement in effect prior to the retail dealer's death or retirement. Pursuant to the provisions of this subchapter, a successor dealer, with the approval of the distributor, may sell, assign, or otherwise transfer the trial marketing agreement granted under paragraph (1) of this subsection.

Section 10-226. Civil Actions

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(b) No prospective transferee shall have a cause of action against a distributor as a result of the distributor's disapproval of a proposed sale, assignment, or other transfer of a marketing agreement.

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[This Chapter contains an additional five pages.]

UNITED STATES CODE

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CHAPTER 55. PETROLEUM MARKETING PRACTICES

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Section 2801. Definitions

As used in this title:

(1)(A) The term "franchise" means any contract--

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(ii) between a refiner and a retailer,

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under which a refiner or distributor (as the case may be) authorizes or permits a retailer or distributor to use, in connection with the sale, consignment, or distribution of motor fuel, a trademark which is owned or controlled by such refiner or by a refiner which supplies

motor fuel to the distributor which authorizes or permits such use.

(B) The term "franchise" includes--

(i) any contract under which a retailer or distributor (as the case may be) is authorized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of motor fuel under a trademark which is owned or controlled by such refiner or by a refiner which supplies motor fuel to the distributor which authorizes or permits such occupancy;

(ii) any contract pertaining to the supply of motor fuel which is to be sold, consigned or distributed--

(I) under a trademark owned or controlled by a refiner; or

(II) under a contract which

has existed continuously since May 15, 1973, and pursuant to which, on May 15, 1973, motor fuel was sold, consigned or distributed under a trademark owned or controlled on such date by a refiner; and

(iii) the unexpired portion of any franchise, as defined by the preceding provisions of this paragraph, which is transferred or assigned as authorized by the provisions of such franchise or by any applicable provision of State law which permits such transfer or assignment without regard to any provision of the franchise.

(2) The term "franchise relationship" means the respective motor fuel marketing or distribution obligations and responsibilities of a franchisor and a franchisee which result from the marketing of motor fuel under a franchise.

(3) The term "franchisor" means a

refiner or distributor (as the case may be) who authorizes or permits, under a franchise, a retailer or distributor to use a trademark in connection with the sale, consignment, or distribution of motor fuel.

(4) The term "franchisee" means a retailer or distributor (as the case may be) who is authorized or permitted, under a franchise, to use a trademark in connection with the sale, consignment, or distribution of motor fuel.

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(7) The term "retailer" means any person who purchases motor fuel for sale to the general public for ultimate consumption.

(8) The term "marketing premises" means, in the case of any franchise, premises which, under such franchise, are to be employed by the franchisee in

connection with the sale, consignment, or distribution of motor fuel.

(9) The term "leased marketing premises" means marketing premises owned, leased, or in any way controlled by a franchisor and which the franchisee is authorized or permitted, under the franchise, to employ in connection with the sale, consignment, or distribution of an agreement to deliver such levels.

(10) The term "contract" means any oral or written agreement. For supply purposes, delivery levels during the same month of the previous year shall be prima facie evidence of an agreement to deliver such levels.

(11) The term "trademark" means any trademark, trade name, service mark, or other identifying symbol or name.

(12) The term "motor fuel" means gasoline and diesel fuel of a type

distributed for use as a fuel in self-propelled vehicles designed primarily for use on public streets, roads, and highways.

(13) The term "failure does not include--

(A) any failure which is only technical or unimportant to the franchise relationship; or

(B) any failure for a cause beyond the reasonable control of the franchisee.

(14) The terms "fail to renew" and "nonrenewal" mean, with respect to any franchise relationship, a failure to reinstate, continue, or extend the franchise relationship--

(A) at the conclusion of the term, or on the expiration date, stated in the relevant franchise;

(B) at any time, in the case of

the relevant franchise which does not state a term of duration or an expiration date; or

(C) following a termination (on or after the date of enactment of this Act [enacted June 19, 1978] of the relevant franchise which was entered into prior to such date of enactment and has not been renewed after such date.

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(17) The term "termination" includes cancellation.

(18) The term "commerce" means any trade, traffic, transportation, exchange, or other commerce--

(A) between any State and any place outside of such State; or

(B) which affects any trade, transportation, exchange, or other commerce described in subparagraph (A).

(19) The term "State" means any State

of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and any other commonwealth, territory, or possession of the United States.

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Section 2802. Franchise relationship

(a) General prohibition against termination or non-renewal

Except as provided in subsection (b) of this section and section 2803 of this title, no franchisor engaged in the sale, consignment, or distribution of motor fuel in commerce may--

(1) terminate any franchise (entered into or renewed on or after June 19, 1978) prior to the conclusion of the term, or the expiration date, stated in the franchise; or

(2) fail to renew any franchise

relationship (without regard to the date on which the relevant franchise was entered into or renewed).

(b) Precondition and grounds for termination or non-renewal

(1) Any franchisor may terminate any franchise (entered into or renewed on or after June 19, 1978) or may fail to renew any franchise relationship, if--

(A) the notification requirements of section 2804 of this title are met; and

(B) such termination is based upon a ground described in paragraph (2) or such nonrenewal is based upon a ground described in paragraph (2) or (3).

(2) For purposes of this subsection, the following are grounds for termination

of a franchise or nonrenewal of a franchise relationship:

(A) A failure by the franchisee to comply with any provision of the franchise, which provision is both reasonable and of material significance to the franchise relationship, if the franchisor first acquired actual or constructive knowledge of such failure--

(i) not more than 120 days prior to the date on which notification of termination or nonrenewal is given, if notification is given pursuant to section 2804(a) of this title; or

(ii) not more than 60 days prior to the date on which notification of termination or nonrenewal is given, if less than 90 days notification is given pursuant to section 2804(b)(1) of this title.

(B) A failure by the franchisee to

exert good faith efforts to carry out the provisions of the franchise, if--

(i) the franchisee was apprised by the franchisor in writing of such failure and was afforded a reasonable opportunity to exert good faith efforts to carry out such provisions; and

(ii) such failure thereafter continued within the period which began not more than 180 days before the date notification of termination or nonrenewal was given pursuant to section 2804 of this title.

(C) The occurrence of an event which is relevant to the franchise relationship and as a result of which termination of the franchise or nonrenewal of the franchise relationship is reasonable, if such event occurs during the period the franchise is in effect and the franchisor first acquired actual or constructive

knowledge of such occurrence--

(i) not more than 120 days prior to the date on which notification of termination or nonrenewal is given, if notification is given pursuant to section 104(b)(1)[15USCS Section 2804(b)(1)].

(D) An agreement, in writing, between the franchisor and the franchisee to terminate the franchise or not to renew the franchise relationship, if--

(i) such agreement is entered into not more than 180 days prior to the date of such termination or, in the case of nonrenewal, not more than 180 days prior to the conclusion of the term, or the expiration date, stated in the franchise;

(ii) the franchisee is promptly provided with a copy of such agreement, together with the summary statement described in section 104(d) [15USCS

Section 2804(d)]; and

(iii) within 7 days after the date on which the franchisee is provided a copy of such agreement, the franchisee has not posted by certified mail a written notice to the franchisor repudiating such agreement.

(E) In the case of any franchise entered into prior to the date of the enactment of this Act [enacted June 19, 1978], and in the case of any franchise entered into or renewed on or after such date (the term of which is 3 years or longer, or with respect to which the franchisee was offered a term of 3 years or longer), a determination made by the franchisor in good faith and in the normal course of business to withdraw from the marketing of motor fuel through retail outlets in the relevant geographic market area in which the marketing premises are

located, if--

(i) such determination--

(I) was made after the date such franchise was entered into or renewed, and

(II) was based upon the occurrence of changes in relevant facts and circumstances after such date;

(ii) the termination or nonrenewal is not for the purpose of converting the premises which are the subject of the franchise, to operation by employees or agents of the franchisor for such franchisor's own account; and

(iii) in the case of leased marketing premises--

(I) the franchisor, during the 180-day period after notification was given pursuant to section 104 [15 USCS Section 2804], either made a bona fide offer to sell, transfer, or assign to the

(3) For purposes of this subsection, the following are grounds for nonrenewal of a franchise relationship:

(A) The failure of the franchisor and the franchisee to agree to changes or additions to the provisions of the franchise, if--

(i) such changes or additions are the result of determinations made by the franchisor in good faith and in the normal course of business; and

(ii) such failure is not the result of the franchisor's insistence upon such changes or additions for the purpose of preventing the renewal of the franchise relationship.

(B) The receipt of numerous bona fide customer complaints by the franchisor concerning the franchisee's operation of the marketing premises, if--

(i) the franchisee was promptly

entered into or renewed on or after such date (the term of which was 3 years or longer, or with respect to which the franchisee was offered a term of 3 years or longer), a determination made by the franchisor in good faith and in the normal course of business, if--

(i) such determination is--

(I) to convert the leased marketing premises to a use other than the sale or distribution of motor fuel,

(II) to materially alter, add to, or replace such premises,

(III) to sell such premises, or

(IV) that renewal of the franchise relationship is likely to be uneconomical to the franchisor despite any reasonable changes or reasonable additions to the provisions of the franchise which may be acceptable to the franchisee;

(c) Definition

As used in subsection (b)(2)(C) of this section, the term "an event which is relevant to the franchise relationship and as a result of which termination of the franchise or nonrenewal of the franchise relationship is reasonable" includes events such as--

(1) fraud or criminal misconduct by the franchisee relevant to the operation of the marketing premises;

(2) declaration of bankruptcy or judicial determination of insolvency of the franchisee;

(3) continuing severe physical or mental disability of the franchisee of at least 3 months duration which renders the franchisee unable to provide for the continued proper operation of the marketing premises;

(4) loss of the franchisor's right to

violation of Federal or State law, or other fault or negligence of the franchisor, which such abuse, violation, or other fault or negligence is related to action taken in bad faith by the franchisor;

(7) destruction (other than by the franchisor) of all or a substantial part of the marketing premises;

(8) failure by the franchisee to pay to the franchisor in a timely manner when due all sums to which the franchisor is legally entitled;

(9) Failure by the franchisee to operated the marketing premises for--

(A) 7 consecutive days, or

(B) such lesser period which under the facts and circumstances constitutes an unreasonable period of time;

(10) willful adulteration,

renewed)--

(1) if such termination or nonrenewal is based upon an event described in subsection (c)(5) of this section, the franchisor shall fairly apportion between the franchisor and the franchisee compensation, if any, received by the franchisor based upon any loss of business opportunity or good will; and

(2) if such termination or nonrenewal is based upon an event described in subsection (c)(7) of this section and the leased marketing premises are subsequently rebuilt or replaced by the franchisor and operated under a franchise, the franchisor shall, within a reasonable period of time, grant to the franchisee a right of first refusal of the franchise under which such premises are to be operated.

Section 2803. Trial and interim franchises

(D) which is in writing and states clearly and conspicuously--

(i) that the franchise is a trial franchise;

(ii) the duration of the initial term of the franchise;

(iii) that the franchisor may fail to renew the franchise relationship at the conclusion of the initial term stated in the franchise by notifying the franchisee, in accordance with the provisions of section 2804 of this title, of the franchisor's intention not to renew the franchise relationship; and

(iv) that the provisions of section 2802 of this title, limiting the right of a franchisor to fail to renew a franchise relationship are not applicable to such trial franchise.

(2) The term "trial franchise" does

a prior franchise, applicable to the marketing premises, which was not renewed if such nonrenewal--

(i) was based upon a determination described in section 2802(b)(2)(E) of this title, and

(ii) the requirements of section 2802(b)(2)(E) of this title were satisfied; and

(D) which is in writing and states clearly and conspicuously--

(i) that the franchise is an interim franchise;

(ii) the duration of the franchise; and

(iii) that the franchisor may fail to renew the franchise at the conclusion of the term stated in the franchise based upon a determination made by the franchisor in good faith and in the normal course of business to withdraw from

upon a determination described in section 2802(b)(2)(E) of this title; and

(B) the requirements of section 2802(b)(2)(E) of this title are satisfied.

Section 2804. Notification of termination or nonrenewal of franchise relationship

(a) General requirements applicable to franchisor

Prior to termination of any franchise or non-renewal of any franchise relationship, the franchisor shall furnish notification of such termination or such nonrenewal to the franchisee who is a party to such franchise or such franchise relationship--

(1) in the manner described in subsection (c) of this section; and

(2) except as provided in subsection (b) of this section, not less than 90 days

such premises before the expiration of the 30-day period which begins--

(I) on the date notification was posted or personally delivered, or

(II) if later, on the date on which such termination or nonrenewal takes effect; and

(ii) may, if permitted to do so by the franchise agreement, repossess such premises and, in circumstances under which it would be reasonable to do so, operate such premises through employees or agents.

(2) In the case of any termination of any franchise or any nonrenewal of any franchise relationship pursuant to the provisions of section 2802(b)(2)(E) of this title or section 2803(c)(2) of this title, the franchisor shall--

(A) furnish notification to the

not to renew the franchise relationship, together with the reasons therefor;

(B) the date on which such termination or nonrenewal takes effect; and

(C) the summary statement prepared under subsection (d) of this section.

(d) Preparation, publication, etc., of statutory summaries

(1) Not later than 30 days after June 19, 1978, the Secretary of Energy shall prepare and publish in the Federal Register a simple and concise summary of the provisions of this subchapter, including a statement of the respective responsibilities of, and the remedies and relief available to, any franchisor and franchisee under this subchapter.

(2) In the case of summaries required

to the amount in controversy, in the district court of the United States in any judicial district in which the principal place of business of such franchisor is located or in which such franchisee is doing business, except that no such action may be maintained unless commenced within 1 year after the later of

(1) the date of termination of the franchise or nonrenewal of the franchise relationship; or

(2) the date the franchisor fails to comply with the requirements of section 2802 or 2803 of this title.

(b) Equitable relief by court; bond requirements; grounds for nonexercise of court's equitable powers

(1) In any action under subsection (a) of this section, the court shall grant such equitable relief as the court

on balance, the hardships imposed upon the franchisor by the issuance of such preliminary injunctive relief will be less than the hardship which would be imposed upon such franchisee if such preliminary injunctive relief were not granted.

(3) Nothing in this subsection prevents any court from requiring the franchisee in any action under subsection (a) of this section to post a bond, in an amount established by the court, prior to the issuance or continuation of any equitable relief.

(4) In any action under subsection (a) of this section, the court need not exercise its equity powers to compel continuation or renewal of the franchise relationship if such action was commenced--

(A) more than 90 days after the date on which notification pursuant to

franchise relationship. The franchisor shall bear the burden of going forward with evidence to establish as an affirmative defense that such termination or nonrenewal was permitted under section 2802(b) or 2803 of this title, and, if applicable, that such franchisor complied with the requirements of section 2802(d) of this title.

(d) Actual and exemplary damages and attorney and expert witness fees to franchisee; determination by court of right to exemplary damages and amount; attorney and expert witness fees to franchisor for frivolous actions

(1) If the franchisee prevails in any action under subsection (a) of this section, such franchisee shall be entitled- (A) consistent with the Federal Rules of Civil Procedure, to

(a) of this section, the court may, in its discretion, direct that reasonable attorney and expert witness fees be paid by the franchisee if the court finds that such action is frivolous.

(e) Discretionary power of court to compel continuation or renewal of franchise relationship; grounds for noncompulsion; right of franchisee to actual damages and attorney and expert witness fees unaffected

(1) In any action under subsection (a) of this section with respect to a failure of a franchisor to renew a franchise relationship in compliance with the requirements of section 2802 of this title, the court may not compel a continuation or renewal of the franchise relationship if the franchisor demonstrates to the satisfaction of the

to the provisions of the franchise which may be acceptable to the franchisee; and

(B) the requirements of section 2804 of this title have been complied with.

(2) The provisions of paragraph (1) shall not affect any right of any franchisee to recover actual damages and reasonable attorney and expert witness fees under subsection (d) of this section if such nonrenewal is prohibited by section 2802 of this title.

Section 2806. Relationship of statutory provisions to State and local laws

(a) Termination or nonrenewal of franchise

To the extent that any provision of this subchapter applies to the termination (or the furnishing of notification with respect thereto) of any franchise, or to

the nonrenewal (or the furnishing of notification with respect thereto) of any franchise relationship, no State or any political subdivision thereof may adopt, enforce, or continue in effect any provision of any law or regulation (including any remedy or penalty applicable to any violation thereof) with respect to termination (or the furnishing of notification with respect thereto of any such franchise or to the nonrenewal (or the furnishing of notification with respect thereto) of any such franchise relationship unless such provision of such law or regulation is the same as the applicable provision of this subchapter.

(b) Transfer or assignment of franchise

Nothing in this subchapter authorizes any transfer or assignment of any

franchise or prohibits any transfer or assignment of any franchise as authorized by the provisions of such franchise or by any applicable provision of State law which permits such transfer or assignment without regard to any provision of the franchise.

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[There follows Subchapter II concerning Octane Disclosure under the PMPA]